

RHODE ISLAND **Economic Development Corporation**

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October 12, 2005

Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

RE: Proposed Regulations to Implement a Renewable Energy Standard

ATTN: Luly E. Massaro, Commission Clerk

Dear Ms. Massaro:

The RIEDC wishes to offer the following comments regarding the subject document:

1. Certification of "Existing" Resources

The draft regulations do not address the certification of new vs. existing renewable resources. It is important to do so because the statute allows that 2% out of the total required percentage be from existing resources. Within the regulations, this could be accomplished by adding a sentence to § 6.1 so that it would read:

"6.1 The Commission will certify Eligible Renewable Resources by issuing statements within ninety (90) days of application. <u>The Commission will designate resources as "new" or "existing" as defined in 3.22 and 3.9, respectively.</u>"

It should be noted that this will require that an attribute be added to the GIS system to enable tracking of the new/existing status.

Further, we believe that the Commission needs to decide whether to control the percentage by establishing a provision in the regulations limiting each electricity seller to 2% from existing resources, or to allow 2% from existing resources in the aggregate for the entire market.

While accountability would be easier by imposing a 2% limit on each individual seller, we believe that the intention of the legislation was to have 2% of the total electricity sold be from existing resources. In a practical sense, there may be no difference between the two, since it would be most prudent for electricity sellers all to maximize their purchases from existing resources. However, the eventuality that some sellers may not purchase their maximum allowed allotments from exiting resources could occur, and this possibility should be accounted for in the regulations.

2. References to the RIEDC in lieu of the REDF

The Rhode Island Renewable Energy Development Fund (REDF) will conduct all transactions with respect to monies accumulated by the fund. As such, it is more appropriate to refer to the fund than to the RIEDC in the regulations. For the most part, this principle has been followed within the draft regulations.

However, in § 7.3, reference is made to the RIEDC instead of the REDF. We suggest a change in the language to read:

"Where an Obligated Entity enters into a prospective agreement with the Rhode Island Economic Development Corporation ("EDC") Rhode Island Renewable Energy Development Fund ("REDF") to accept Alternative Compliance Payments pursuant to Rhode Island General Laws section 39-26-7(b), and the EDC REDF thereby purchases..."

We appreciate the Commission's consideration of these comments.

Sincerely,

Andrew C. Dzykewicz Senior Project Manager

cc: M. McMahon, RIEDC

R. Reed, RIEDC

M. Adelman, Office of the Governor